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C O N F I D E N T I A L SECTION 01 OF 02 PRISTINA 000972

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DEPT FOR DRL, INL, AND EUR/SCE, NSC FOR BRAUN, USUN FOR  
DREW SCHUFLETOWSKI, USOSCE FOR STEVE STEGER

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TAGS: [PGOV](#) [KJUS](#) [KCRM](#) [EAID](#) [KDEM](#) [UNMIK](#) [YI](#)

SUBJECT: KOSOVO: KICKING THE CONTACT GROUP'S  
PROPERTY-RELATED STANDARDS INTO HIGHER GEAR

Classified By: COM TINA KAIDANOW FOR REASONS 1.4 (B) AND (D).

11. (C) SUMMARY: The head of the Kosovo Property Agency (KPA) gave us updated statistics on the KPA's rental property scheme and enforcement of property claims pending implementation -- two of the 13 Contact Group priority standards. Some 361 properties out of a total of approximately 5,400 administered by the KPA are in the scheme by consent of the owners. Poloff raised the issue of including properties in the rental scheme where owners had not given their consent for various reasons (e.g., they cannot be easily identified or located), representing some 1,800 properties. For its part, the PISG, now clearly aware that we do not yet consider these two CG standards met, has taken a more active interest, agreeing to help promote the rental scheme. However, Kosovo Police Service (KPS) SOPs on enforcing evictions and deterring reoccupations have yet to be put in force. COM will raise these issues with PM Ceku and press for expedited action. END SUMMARY.

#### Rental Scheme Update

12. (SBU) At a November 8 meeting, KPA head Knut Rosandhaug gave updated statistics to poloff and British DHOM O'Connell on the rental property scheme. The program is designed to provide income to owners, mainly ethnic Serbs displaced by the war, from those now living in their property:

-- 361 owners had given their consent to take part in the rental scheme. Of this figure, the first 106 rent bills had been issued in October and the KPA was in the process of including the other 255.

-- Regarding the 106 rent bills, 39 had agreed to start paying, 57 had refused, and 10 had not responded.

-- Eviction notices, which would be enforced by the Kosovo Police Service (KPS), had been served on those who had refused or not responded. They would have 30 days to vacate the premises or prove they were now part of the scheme and paying rent.

-- 35 payments had been received, and 10,000 euros had been collected thus far.

-- Monthly rent of less than 200 euros accounted for nearly three-quarters of the rent bills.

13. (SBU) To spark greater interest in the scheme, Rosandhaug said that ads starting in mid-November and running through February 2007 would be placed on television, radio and major dailies in Kosovo, Serbia and Montenegro, provided that funding could be secured. British DHOM noted that the UK had recently contributed 500,000 euros which could be used for this purpose, but that the donation had gotten stuck on a technicality with the UNMIK legal office and had not yet been disbursed.

What About the 1,800?

14. (C) Asked about the approximately 1,800 properties where the owner could not be identified or had other complications (such as being under construction when the 1998 conflict began), Rosandhaug responded that there had been a "gentlemen's agreement" between former SRSG Jessen-Petersen and the PISG not to include properties where the owner's consent had not clearly been obtained. Poloff noted that this understanding limited the effectiveness of the scheme and degraded the rule of law generally in Kosovo: anyone living in housing not their own should be paying rent. If the owner could not be found, rental income could be put into an escrow account. Rosandhaug agreed that this would make his job easier, and would encourage owners to come forward since they would see money being collected. (Note: COM will urge PM Ceku to agree to include these properties in the scheme. End Note.)

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#### KPA Enforcement of Decisions and Deterring Reoccupation

15. (SBU) Addressing KPA decisions on the 2,804 still-outstanding appeals made to the previous UNMIK Housing and Property Directorate, another Contract Group priority standard, Rosandhaug said this number was now down to 1,150 and "being reduced on a daily basis." He added that cooperation with the KPS was excellent and saw no reason not to expect that all these decisions would be implemented by the end of 2006. The cases were time-consuming not for logistical or political reasons, he asserted, but because the parties involved generally exhausted every statutory right available to challenge the decisions. On the problem of deterring reoccupation, Rosandhaug referred to draft KPS Standard Operating Procedures, which the KPA had helped write, that he said clearly give the KPS the responsibility to remove and arrest anyone who enters premises after an eviction. However, he was unsure whether these SOPs were in force. In any event, he noted, the PISG through the KPS was responsible for deterring this reoccupation. (Note: We learned on November 15 that these SOPs are still not in force and will add this to the agenda with PM Ceku. End Note.)

What is the PISG Doing?

16. (SBU) In recent meetings, USOP has strongly encouraged the PISG to get involved in promoting the rental scheme and to make certain the KPS enforces KPA decisions and deters reoccupation. Standards Coordinator Avni Arifi told us in early November that PM Ceku, during his monthly meetings with Kosovo mayors, would urge them to get out of the word on the rental scheme. Arifi noted other recent actions the government had taken: getting Kosovo banks to lower their transfer fee for the rental scheme and helping to negotiate discounts for the KPA in the media market in Serbia.

17. (C) COMMENT: The KPA is making some progress on the rental scheme and even greater progress on reducing outstanding claims inherited from its predecessor, the Housing and Property Directorate. With the anticipated start of a concerted media campaign in mid-November, more displaced

owners should become aware and take part in the scheme. As for the Kosovo government, we have certainly gotten its attention by saying we do not consider complete the two property-related Contact Group standards. The PISG can and must do more, for example, by agreeing to include all properties in the rental scheme, regardless of whether the owner's consent can be obtained. This should have a catalyzing effect on the scheme and give us the confidence to say it has indeed been implemented. END COMMENT.

18. (SBU) U.S. Office Pristina clears this cable in its entirety for release to U.N. Special Envoy Martti Ahtisaari. KAIDANOW